GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3117
ANSWERED ON:22.03.2002
THIRD PARTY ADMINISTRATORS FOR HEALTH INSURANCE SECTOR
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

(a) whether IRDA has stipulated stringent norms for third party administrators for health insurance sector;

(b) if so, the details thereof;

(c) the number of applications received and clearance given by IRDA after announcing norms for starting business in health insurance sector;

(d) whether the IRDA proposes to relax norms in the near future;

(e) if so the details thereof; and

(f) if not, the reasons thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)&(b): Insurance Regulatory and Development Authority (IRDA) has stipulated norms for Third Party Administrators (TPA) for health insurance sector which are specified in the IRDA (Third Party Administrators - Health Services) Regulations,2001, notified on17th September, 2001. These regulations, inter alia, prescribe the conditions relating to licencing, renewal and cancellation of licence, the code of conduct and share capital, etc.

(c): The Authority has so far received 26 applications for registration as Third Party Administrators in health insurance and given `in principle` approval in respect of 14 applications.

(d)&(e): The Authority has informed that they have no plan to relax the norms for TPAs in the near future.

(f): The norms have been stipulated to ensure solvency of the TPAs in discharging their obligations as per the terms and conditions to be entered into by them with the insurance companies.